

EXHIBIT A

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
And VIA FAX

December 16, 2008

Ms. Diana Dieciedue
Vice President of Licensing
MAACO ENTERPRISES INC.
381 Brooks Road
King of Prussia, PA 19406

RESPONSE TO NOTICE OF DEFAULT

Dear Ms. Dieciedue:

I am in receipt of your letter dated December 3, 2008 informing me of default pertaining to my MAACO franchise. At this time, I would like to take the opportunity to address each one of your identified concerns and express my concerns regarding MAACO's obligation to me as a Franchisee. There are some identified expenses that I agree I owe and would like to establish payment arrangements; however, there are others that I dispute.

I agree that I owe, \$7,749.84 in Advertising Expenditures and Paint Supplies totaling \$1,135.96. I am also acknowledging that these figures may have increased since December 3rd and am willing to pay what is owed pertaining to these two categories. Please note that I want to express my concern that MAACO Enterprises weekly charges in excess of \$1,000 per week for advertising are excessive. Can we compromise on a more reasonable rate given the status of the economy? Regarding the weekly gross receipt reports for dates specified in September, October and November, please note that they will be forthcoming shortly. As you know, sales are down during this hard economic time; however, I am willing to make payment arrangements to satisfy this debt.

Of major concern to me is the "Known Royalty Fees" of \$51,062.66. I believe that this figure was derived from an audit that was done. The problem that I have with the audit is that MAACO expects me to pay royalty on income that was received by subcontractors. This is not fair! For example, MAACO charges me royalty on income received from insurance companies but do not take into consideration that a portion of that money was forwarded to dealerships for repairs that they did on the vehicles. I feel that I should pay royalty on monies that I receive for my repairs only. MAACO Enterprises also expects me to pay royalty on jobs on which I gave an estimate but the customers have not

returned with their vehicles for repair. Again, this is not a reasonable expectation. I should only have to pay royalties on jobs that I worked on and received payment for my work on the vehicles in question.

On behalf of MAACO Enterprises you are pursuing me for money that you feel that I owe; but, what about monies that MAACO Enterprises owes me and its breached contractual obligations? When I moved from Boston to West Palm Beach (because MAACO failed to find me a location in the Boston area), I was told by Bill Chaffe that I will be reimbursed for moving expenses. I was never compensated. This debt remains outstanding. Also, MAACO Enterprises has an old compressor in my shop for years and despite my request for it to be removed, it is still here. Technically, MAACO Enterprises owes me for storage. I have been trying to get certified via MAACO and the person that was scheduled to certify me quit his job and MAACO Enterprises did not send anybody else out to certify me. Doug Engle is aware of this. Because I am not MAACO certified, I missed out on quite a few jobs. In addition, I was told that I would get a MAACO sign which lights up. I am still waiting for such!

Overall, I do not feel that I have been treated very well by MAACO Enterprises. I have to fight to get MAACO Enterprises to honor certain obligations. The only individuals at MAACO Enterprises that I had good conversations with is the late Tony Martino, Grace and Jane in Finance. I want to work with representatives of MAACO Enterprises to build a better business relationship and get the New Year off to a good start. Please have the person with whom I need to negotiate payment arrangements contact me at 561-845-2228 to work out a payment plan for monies owed. I would greatly appreciate your addressing, in writing, my concerns as identified above; specifically, about the Known Royalty Fees and MAACO's failed obligations to me. Thank you for your time and consideration. Happy Holidays.

Sincerely,

Philippe Augustin
Owner, MAACO Lake Park, FL

Cc: D. Lapps
T. Pearce, Esq.
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